

HOUSE BILL 3274

By Elam

AN ACT to amend Tennessee Code Annotated, Title 55,
relative to loaner vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-10-311, is amended by designating the existing subsection (b) as subsection (c) and by adding the following as a new subsection (b):

(b) Any automobile dealer who provides a loaner vehicle to a customer without charge while the customer's vehicle is being serviced or repaired by the dealer shall not be vicariously liable under any vicarious liability theory, to any person injured as the result of an accident caused in whole or in part by a customer driving a loaner vehicle provided by the dealer where the dealer was provided with proof of insurance by the customer prior to the customer being provided with the loaner vehicle. This subsection (b) shall not apply where an automobile dealer's act or omission constitutes gross negligence.

SECTION 2. Tennessee Code Annotated, Section 55-10-312, is amended by designating the current language as subsection (a) and by adding the following as a new subsection thereto:

(b) Subsection (a) shall not apply any automobile dealer who provides a customer a loaner vehicle without charge while the customer's vehicle is being serviced or repaired by the dealer. The dealer shall not be vicariously liable under any vicarious liability theory, to any person injured as the result of an accident caused in whole or in part by a customer driving a loaner vehicle provided by the dealer where the dealer was provided with proof of insurance by the customer prior to the customer being provided

with the loaner vehicle. This subsection (b) shall not apply where an automobile dealer's act or omission constitutes gross negligence.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.